

## Message Text

CONFIDENTIAL

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61

ACTION ARA-17

INFO OCT-01 ADP-00 L-03 COME-00 EB-11 RSC-01 RSR-01 /034 W  
----- 044979

R 112142 Z APR 73

FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 7163

C O N F I D E N T I A L PANAMA 2031

E. O. 11652: GDS

TAGS: ETRD, CPRS, PN

SUBJ: CONSOLIDATED PAINT AND VARNISH CORP. ( DEITZ CASE)

REF: PANAMA 1860 STATE 207917

1. AMBASSADOR SAYRE, MR. ROBERT W. CHAMBERLIN, VICE PRESIDENT, CENTRAL NATIONAL BANK OF CLEVELAND, AND ECONOFF MET WITH PRESIDENT DEMETRIO B. LAKAS AT 4:00 PM ON APRIL 10 FOLLOWING AMBASSADOR'S REQUEST FOR APPOINTMENT ON BEHALF CHAMBERLIN AFTER VICE PRESIDENT ARTURO SUCRE CANCELLED OUT FOR SECOND TIME. MR. CHAMBERLIN'S BANK HOLDS THE COMMERCIAL PAPER ON THE SALE TO MINISTRY PUBLIC WORKS OF ASPHALT SEALING MATERIAL BY CONSOLIDATED.

2. PRESIDENT RECEIVED CALLERS IN CORDIAL MANNER AND IMMEDIATELY TOOK UP SUBJECT OF GOP DEBT FOR PURCHASE FROM CONSOLIDATED. PRESIDENT ASKED IF ANYONE AWARE OF ARRANGEMENTS MADE BY VICE PRESIDENT SUCRE. WHEN CALLERS PROFESSED IGNORANCE OF ANY INFO BEYOND "REPORTS" THAT CABINET HAD APPROVED PAYMENT OF DEBT, PRESIDENT SAID HE WOULD TRY AND CUT THROUGH RED TAPE, IMMEDIATELY ARRANGING FOR CHAMBERLIN TO SEE FINANCE MINISTER "WHO WOULD APY BILL." PRESIDENT MUSED ALOUD THAT CONTROLLER GENERAL "WOULD APPROVE APYMENT."

3. PRESIDENT THEN COMMENTED THAT SUBJECT HAD BEEN BROUGHT UP IN CABINET ON APRIL 3 AND HAD OCCASIONED BITTER DEBATE WITH MAJORITY OPPOSED TO PAYMENT, ESPECIALY MINISTER PUBLIC WORKDS AND CONTROLLER GENERAL. PRESIDENT SAID GOP HAD "MORAL OBLIGATION" TO PAY DEBT EVEN THOUGH PROPER PURCHASING PROCEDURES HAD NOT BEEN FOLLOWED AND HE USED HEAVY HAND ON CABINET TO OBTAIN GOP  
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APPROVAL. HE SAID THAT WAS NO FAULT OF US SUPPLIER. PRESIDENT SAID MOST OF PURCHASES HAD BEEN EFFECTED WITH " PETTY CASH VOUCHERS" WITH MAXIMUM AMOUNT OF PURCHASE AUTHORIZED THEREIN BEFORE MINISTRY HAD DISCOVERED PROBLEM AND PUT A STOP TO IT. PRESIDENT SAID AGENT FOR CONSOLIDATED COULD BE PUT IN JAIL BUT THAT WOULD NOT HELP CHAMBERLIN WHOSE BANK HOLDS THE IOU. PRESIDENT'S PARTING WORDS TO CHAMBERLIN AND ECONOFF WAS THAT " YOU SHOULD TELL YOUR CLIENT THAT HE SHOULD BE CAREFUL WHO HE HAS AS AN AGENT IN PANAMA."

SAYRE

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 11 APR 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Reference:** 73 PANAMA 1860 STATE 207917  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JAN 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23-Jan-2002 by collinp0>; APPROVED <22 FEB 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**TAGS:** CPRS, ETRD, PM  
**To:** ARA  
**SECSTATE WASHDC**  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005